

**ANNUAL AUTHORIZATION OF LAND BANK ACTIVITIES AND ALLOCATIONS
OF COVERAGE AND OTHER MARKETABLE RIGHTS**

Summary: Staff recommends approval of allocations of land coverage rights for mitigation projects, public service projects, open-market transactions, and other marketable rights in 2011.

Location: Throughout the six hydrologic transfer areas located on the California side of the Lake Tahoe Basin (Attachment 1).

Fiscal Summary: No expenditure of funds proposed under this recommendation.

Recommended Action: Adopt Resolution 11-05-04 (Attachment 2) approving the allocations of land coverage and other marketable rights in 2011.

Background

Land Coverage in the Lake Tahoe Basin

The allocation of land coverage is a vital means of meeting resource-related objectives in the Lake Tahoe Basin. Coverage refers to an existing or potential development's footprint on the natural surface of the ground that prevents water from percolating from the surface into the ground. The existence of coverage prevents the natural filtering function of the soil and the take-up of nutrients by vegetation. Additionally, the existence of coverage increases the volume and velocity of runoff, which accelerates erosion and the transport of sediment to the Lake.

The placement of coverage is strictly regulated in the Basin. Pursuant to the Tahoe Regional Planning Agency's (TRPA) 1987 Regional Plan and other regulatory requirements, the amount of coverage that can be placed on a parcel is limited, based on a number of considerations including the tendency of the land to erode.

The Regional Plan features two key elements dealing with coverage. The first of these elements, excess coverage mitigation, requires a permit applicant applying for any development in the Basin to mitigate at least a portion of the excess coverage that may exist on the particular land in question. Excess coverage pertains to property that is already covered (with structures, pavement, etc.) beyond the amount allowed under the Regional Plan.

Applicants may perform such mitigation by (1) retiring (eliminating) existing coverage (structures, pavement, etc., which already exist on the land); (2) retiring coverage from other parcels; or (3) paying a mitigation fee into a special fund held by TRPA. Monies paid into the special fund are assigned by TRPA to a designated land bank, which carries out the mitigation by retiring coverage and/or restoring land as part of an organized program. There are two state-sponsored land banks in the Basin: one in California and one in Nevada.

The second element allows permit applicants to enlarge coverage area up to a specific limit by transferring coverage rights to the site, or the receiving parcel, from one or more eligible sending parcels in the same hydrologically-related area (HRA). Permit applicants can satisfy this requirement by acquiring the required coverage rights on the open market or by acquiring these coverage rights from a land bank.

The Regional Plan divides the Basin into nine HRAs. Six of the nine HRAs are located in California (Attachment 1). In order to mitigate for excess coverage mitigation or a transfer of coverage, as discussed above, the receiving parcel must be in the same HRA as the sending parcel. When the Regional Plan was adopted in 1987, it was believed that limiting coverage transfers on a narrowly-defined watershed basis would be too restrictive, and therefore HRAs were chosen to represent a grouping of several watersheds.

The Conservancy's Land Bank

Since 1987, the Conservancy has operated the Land Bank on the California side of the Basin under its Land Coverage Program, governed by a Memorandum of Understanding (MOU) with TRPA. The Program is designed to assist in implementation of the Regional Plan provisions for mitigation and transfer of ground coverage by:

- 1) Assisting TRPA in its efforts to limit the total ground coverage within the Basin, offsetting the effects of existing ground coverage which exceed current

- standards, and redirecting the pool of unused coverage rights toward less-sensitive parcels;
- 2) Assisting permit applicants on the California side of the Basin in meeting TRPA permit requirements with respect to coverage; and
 - 3) Complementing and supporting the Conservancy's efforts in the protection and restoration of lands for resource purposes and objectives.

The MOU provides, among other things, that the Conservancy will facilitate excess coverage mitigation on the California side of the Basin using the mitigation fees collected by TRPA.

Two other sets of actions involving various marketable land rights in the Basin have also been incorporated into the Program. The first involves restoration credits. The Land Bank has generated an inventory of these restoration credits through the restoration of land disturbance or land coverage situated on environmentally sensitive lands. Very little development may occur on designated sensitive lands, classified according to a system called the Bailey Land Class system. These sensitive lands include stream environment zones (SEZs), which include wetlands. New coverage is only permitted in these sensitive areas, or Bailey Class 1, 2, and 3 areas, provided TRPA can make special findings related to health and safety, access, or the need for a public facility. The limitations for such projects are exemplified by the fact that the land bank has assisted only 71 restoration credit projects over the life of the program (an average of three projects per year). If TRPA determines such coverage is permissible, mitigation coverage must be provided from a similar class of land, at a rate of 1.5 square feet of restored sensitive ground for every new square foot of land coverage created. If TRPA determines coverage is permissible in an SEZ area, the coverage must be mitigated with restoration credits originating from SEZ areas that have been successfully restored. If TRPA determines coverage is permissible in a Bailey Class 1, 2, or 3 area, the coverage must be mitigated with restoration credits originating from a Bailey Class 1, 2, or 3 area, respectively.

The second action involves other marketable rights. Other marketable rights are marketable commodities within the Program's inventory which do not qualify as land coverage rights or restoration credits. Such rights are more directly related to the Basin's development potential and TRPA's growth management objectives than land coverage and restoration credit, and are therefore more aggressively managed by TRPA through periodic allocation or release of these entitlements.

The Land Bank's other marketable rights are generally defined by their land use category. Under residential use, there are residential development rights, residential

allocations, and existing residential units of use (ERUUs). Under commercial use is commercial floor area (CFA), and under tourist use are tourist accommodation units (TAUs), commonly known as motel units. The Land Bank has also periodically sold and transferred sewer units from its inventory. These units are a measure of sewer capacity, and in this case, the transferred units provided the buyers with hook-up rights to the South Tahoe Public Utility District's sewer system.

In addition to land coverage, the Board has periodically allocated a number of these other marketable rights for private projects, commonly referred to as open market sales.

Over the past 24 years, the Program has largely been successful in achieving its objectives. Table I below summarizes the Program's project activity to date, both in terms of projects assisted and the number of rights provided.

Table I Conservancy Land Bank Cumulative Totals Projects Facilitated through December 31, 2010					
Project Category		Number of Projects Served	Coverage Provided (sq. ft.)	Units Provided (units)	Revenues (\$)
Land Coverage Related	TRPA Excess Coverage Mitigation*	5,452	931,531	-	\$6,957,838
	Open Market Transfers	973	713,482	-	4,786,920
	Public Service Transfers:				
	-Sales	30	67,240	-	376,457
	-Exchange or Grant	13	246,810	-	0
	Restoration Credit	71	172,184	-	321,169
	Sub Totals:	6,539	2,131,247 sq. ft.	-	\$12,442,384
Other Marketable Rights	Other Marketable Rights:	Projects	Units Provided (sq. ft.)	Units Provided	Revenue (\$)
	Commercial Floor Area	8	8,151	-	\$278,912
	Tourist Units	2	-	12	30,300
	Sewer Units	15	-	29	77,925
	Residential Development Rights	80	-	124	247,150
	Existing Residential Units	3	-	3	224,300
	TOTALS:	6,647 Projects	Coverage: 2,131,247 sq. ft. CFA: 8,151 sq. ft.	168 Units	\$13,300,971

*The number reported for TRPA Excess Coverage Mitigation represents the total fees collected by TRPA over the life of the Program. The Land Bank has provided mitigation for approximately 80% of the coverage mitigation needs represented by these projects and their related fee amounts.

As reported to the Board since 2008, certain market, economic, and regulatory trends threaten to limit the ability of the Land Coverage Program to achieve its objectives. Most significantly, since 2000, the Conservancy has been less able to acquire new coverage for the Program. This is due to changing conditions in the real estate market. Accordingly, in recent years, the Program has had to rely less on traditional land bank acquisitions for new inventory and more on coverage rights from other Conservancy acquisitions. This change has led to a depleted coverage inventory.

Requirements, as set forth in the Regional Plan, that both the sending and receiving parcels in a coverage mitigation or coverage transaction be located within the same HRA, further exacerbate certain coverage inventory problems and hinder the operation and effectiveness of the Program.

Excess Coverage Mitigation

The Conservancy's obligation to retire coverage under the excess coverage mitigation requirements is becoming increasingly problematic. Table II below documents the Program's insufficient supply of coverage. As of December 2011, the Program will be unable to mitigate 214,475 square feet of the total mitigation needs in California as reported by TRPA. This deficit represents approximately 18% of the Land Bank's total obligation (1.1 million square feet) for excess coverage mitigation.

If the Conservancy continues to face difficulties in replenishing the Program's coverage inventory, the Program's effectiveness would be greatly threatened.

Table II Conservancy / TRPA MOU Deficits For Excess Coverage Mitigation (Projected as of December 31, 2011)				
Hydrologic Area	Potential Coverage (Sq. Ft.)	Soft Coverage (Sq. Ft.)	Hard Coverage (Sq. Ft.)	Total (Sq. Ft.)
<i>South Stateline</i>	0	0	-156,920	-156,920
<i>Upper Truckee</i>	0	0	0	0
<i>Emerald Bay</i>	-19,650	0	0	-19,650
<i>McKinney Bay</i>	0	0	-7,905	-7,905
<i>Tahoe City</i>	0	0	-1,965	-1,965
<i>Agate Bay</i>	0	0	-28,035	-28,035
TOTALS:	-19,650	0	-194,825	-214,475

Restoration Credit for Sensitive Lands

Public agencies responsible for construction of public utility and bike projects in the Basin have expressed concern over the adequacy of the Program's inventory of restoration credits. The Conservancy's primary source of restoration credits originates from numerous environmentally sensitive lands (ESL) acquired under the Conservancy's ESL Program, SEZ Program, and Public Access and Recreation Program, and from litigation settlement acquisitions. Under these various programs, the Conservancy has restored at least 126,000 square feet of SEZ land and 132,229 square feet of Bailey Class 1-3 lands.

The Conservancy has provided over 172,000 square feet of restored mitigation credit from sensitive land areas to assist 71 projects. The majority of this restored sensitive land credit was needed to meet TRPA permit requirements for bike trails, Caltrans projects, and public utility projects. The Land Bank program has allowed these

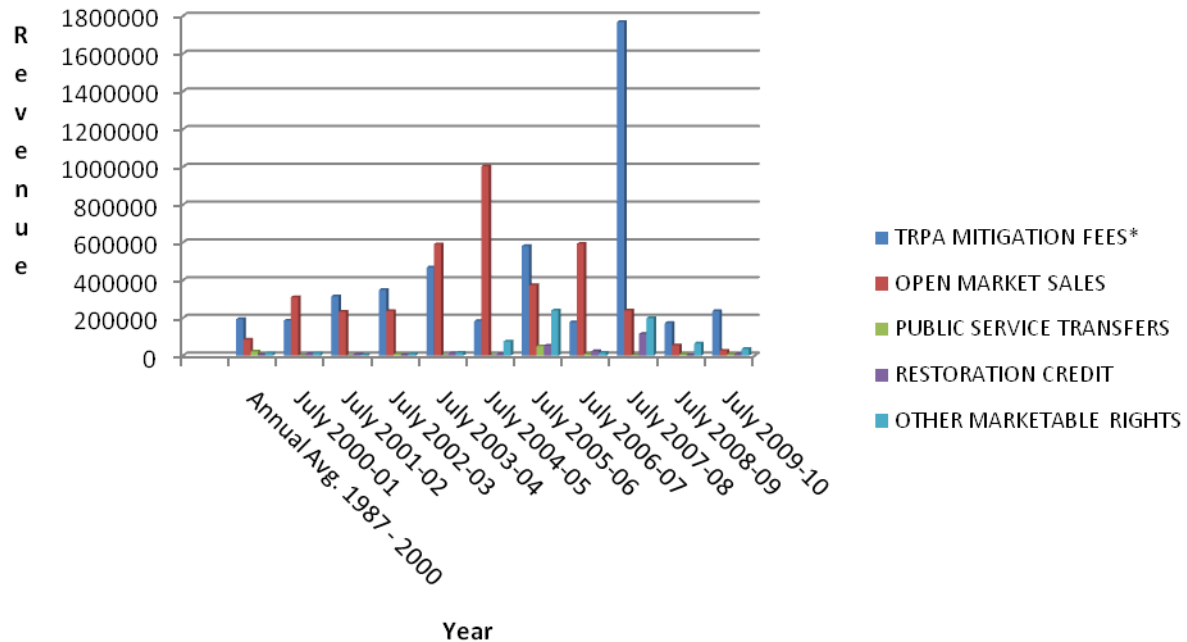
important projects to move forward, resulting in an environmental gain in restored sensitive land areas.

The Program's current unused allocation of restoration credits is 9,271 square feet, and another 6,010 square feet is available from the Program's unallocated inventory, representing a total remaining supply of 15,281 square feet. By comparison, the annual average demand is approximately 8,200 square feet. The projected demand for 8,200 square feet in 2011 should be satisfied with the remaining available allocation of 9,271 square feet. However, the Conservancy's ability to assist large, important public projects, including Conservancy-funded projects, is becoming increasingly difficult given the Land Bank's declining inventory of restoration credit.

The Conservancy controls over 200,000 square feet of SEZ coverage that is in need of restoration. Once restored, a significant amount of this inventory may be needed to mitigate future Conservancy-funded recreation projects or other Conservancy mitigation obligations.

Program revenues have annually been recycled into the Conservancy's Land Management and SEZ Restoration Programs to support the ongoing retirement and restoration of coverage. Reflecting the overall economic downturn, Program activities during 2009 and 2010 were the lowest they have been in the past ten years. The following bar graph reveals that the Program's annual revenue from its five revenue-producing categories was at least \$500,000 from 2000-2008. However, this figure fell to \$300,000 in each of the last two years.

CTC Land Bank Revenue Trends for all Categories 2000-2010



Land Bank Acquisition Priorities

As approved by the Board in September 2010, staff has prepared a budget request seeking \$3,440,000 in land bank revenues for inclusion in the Conservancy's proposed Fiscal Year 2011-12 budget. These funds could be used for land acquisition and property restoration purposes, in support of the Land Bank and other Conservancy programs. The acquisition of additional land coverage rights is necessary given the need to address supply deficiencies in at least five of the six HRAs and in light of continued uncertainty regarding bond funding for land acquisition purposes. Upon inclusion in the Conservancy's 2011-12 budget, staff will resume pre-acquisition activities pursuant to existing Program guidelines. As required, individual acquisition projects will be scheduled for Board review prior to close of escrow.

Land Coverage and Marketable Rights Study and TRPA Regional Plan Update

In May 2010, the Board authorized staff to initiate a Land Coverage and Marketable Rights Study to assist staff in evaluating the future of the Conservancy Land Bank, in conjunction with TRPA's Regional Plan Update (Update). A local consulting firm, Environmental Incentives, Inc. (Consultant), was selected for this work.

The Consultant has convened a group of agency partners and a larger group of 28 additional Basin stakeholders representing a variety of interests in the Basin. The fields of interests represented by the larger group include real estate, project consulting, project development, environmental protection, economic sustainability, and local and regional government.

All members of the agency and Basin stakeholder groups were individually surveyed and asked to identify the primary objectives that should guide future implementation strategies related to land coverage and other marketable rights. There was general consensus that the priority objectives should be water quality, riparian function, administrative viability, reasonable and appropriate transaction costs, project enablement, and vibrant communities.

By mid-February 2011, the stakeholder interviews produced at least 115 unique alternatives for achieving the priority objectives. In late March, a workshop with all stakeholders was held, assisting the consultant with the development of potential policy changes. A second workshop is scheduled for late May 2011, and recommendations will be forthcoming in the summer. The Consultant will use an evaluation framework tool that will scrutinize implementation alternatives based on their consistency with the priority objectives.

Participating as one of many stakeholders in TRPA's Update in 2010, Conservancy staff provided comments to TRPA on the SEZ, water quality, and land use subelements which all affect the Land Bank and other Conservancy programs. A summary of staff's major comments on these three threshold categories is outlined below.

Staff has commented on the use of excess coverage mitigation fees. As described above, the Program's primary contractual obligation under its MOU with TRPA involves the requirements governing use of fees. Currently, fees must be used to purchase, restore, and/or retire either potential or existing land coverage in a specified ratio based upon the project that elects to pay the fee. TRPA is proposing a fundamental shift that will

require fees be used to acquire, restore, and retire only existing coverage in the form of impervious covering of the ground (hard coverage) or compacted soil (soft coverage). Staff supports this fundamental shift, as it will provide greater environmental benefit through the restoration of existing coverage as mitigation for excess coverage created before 1972. Staff has further suggested that TRPA consider restricting the use of ECM fees to the acquisition, restoration, and retirement of existing coverage within SEZs, because restored SEZs provide the greatest environmental benefit.

Additionally, while staff supports the shift to require restoration and retirement of existing land coverage with fees, staff remains concerned that TRPA's alternatives do not go far enough to establish an economically sustainable fee program. This is evidenced by the Program's current inability to acquire and restore over 214,000 square feet of land coverage despite over \$1,700,000 in fees available to the Program for this purpose. Under current conditions, most of these funds need to acquire, restore, and retire existing hard coverage using a formula that estimates existing coverage restoration at a cost between \$5.00 to \$8.50 per square foot. However, the current estimated cost to acquire, restore, and retire existing coverage is three to fifteen times higher than the fee paid.

Clearly, the current system is not economically sustainable. Unless the Update eliminates the coverage retired per dollar collected formula and allows land banks to use best efforts to acquire and retire as much coverage as possible with fees, staff believes the Program will not be economically viable. Therefore, staff has informed TRPA that the Conservancy may not be prepared to continue as the California Land Bank unless the excess coverage mitigation program fee program undergoes significant modification. Staff believes program modifications, including the elimination of HRA restrictions in conjunction with the ability to use fees to acquire and restore as much SEZ coverage as possible, would render the Program economically sustainable.

Finally, staff has worked with TRPA on its proposal to both redefine and classify SEZs by differentiating between SEZ restoration, enhancement, and creation. Staff generally supports the change in policy direction but has expressed concerns to TRPA regarding the Update's proposed future use of SEZ restoration credits banked under the existing Regional Plan. Instead, staff endorses the grandfathering of existing banked SEZ restoration credits for use by the Conservancy and others under the new Regional Plan.

Annual Conservancy Allocations of Marketable Rights

Since 1991, the Board has annually authorized allocations of land coverage and other marketable rights. Program Guidelines adopted by the Board have delegated authority to staff to make limited allocation and sale decisions throughout the year.

The Conservancy's land coverage has been allocated in each of the HRAs to meet excess coverage mitigation and coverage transfer needs. Such needs include the projected demand of both the public and private sectors, as gauged through informal surveys and other communications with public agencies and realtors.

The present action recommends that, where available, the annual allocation of coverage rights be distributed among several project categories, including (1) excess coverage mitigation, (2) public service projects, and (3) open market transfers. The recommended allocations, in square feet, are based on staff's estimates of the demand in each category for 2011. In cases of shortage, excess coverage mitigation will be given preference.

Staff is recommending allocation of potential coverage rights in five of the six HRAs. Due to continued inventory shortages in 2011, the Land Bank will not be able to provide potential coverage for public and private sector projects in the Emerald Bay HRA, or for commercial projects in the Tahoe City and Agate Bay HRAs. In the Upper Truckee HRA, staff believes the current remaining allocation of 18,202 square feet will be sufficient to meet residential project needs in 2011. Approximately 29 square feet of this remaining allocation is already considered available for projects on low capability land. Staff is proposing to increase this portion by an additional 1,200 square feet. This would not be an allocation of additional square footage but, in effect, a replacement of already-allocated high capability coverage with low capability coverage. This 1,200 square feet would originate from Conservancy parcels that were acquired as bargain sale land acquisition projects, where the Board has previously authorized the use of their land coverage rights for Land Bank purposes.

Previous allocations to the public service category are reserved for at least five future public projects that are located in at least three different HRAs.

The recommended allocations in each HRA are summarized in Table III as follows.

Table III				
Recommended Land Coverage Allocations for 2011				
Hydrologic Area	Potential Coverage (sq. ft.)	Soft Coverage (sq. ft.)	Hard Coverage (sq. ft.)	Total (sq. ft.)
<i>South Stateline</i>	7,925	0	0	7,925
<i>Upper Truckee</i>	13,630	0	0	13,630
<i>Emerald Bay</i>	0	0	0	0
<i>McKinney Bay</i>	9,960	0	0	9,960
<i>Tahoe City</i>	16,780	0	0	16,780
<i>Agate Bay</i>	1,815	0	0	1,815
TOTALS:	50,110	0	0	50,110

Greater detail regarding these recommended allocations is provided in the Allocation Tables attached to this report (Tables 1-9).

Allocation of Restoration Credit

The Program currently has an allocation of 9,271 square feet of unused restoration credits. Given the fact the annual demand for restoration credit is approximately 8,200 square feet, staff believes there should be adequate supply in 2011 and is therefore not recommending allocation of any additional inventory.

Other Marketable Rights

For 2011, staff is recommending allocation of the Land Bank's three remaining residential development rights in the City of South Lake Tahoe. This action will result in a total of seven rights available for the upcoming building season. Demand for these rights usually originates from residential developers building a multi-family residence or a secondary residence. An additional seven residential development rights are recommended for allocation in Placer County.

There continues to be very little demand for CFA or ERRUs, and therefore Staff believes that previous allocations should be sufficient to meet project needs in 2011. In both El Dorado and Placer Counties, market activity for such rights is likely to remain limited.

Details regarding the Land Bank's inventory and sales activity for most of these other marketable rights can be viewed in Table 10, attached to this report.

List of Attachments:

Attachment 1 - Hydrologic Transfer Areas Map

Attachment 2 - Resolution 11-05-04

List of Allocation Tables for Land Coverage and Other Marketable Rights:

Table 1 - South Stateline Hydrologic Area

Table 2 - South Stateline Hydrologic Area, Caltrans Right-of-Way

Table 3 - Upper Truckee Hydrologic Area

Table 4 - Upper Truckee Hydrologic Area, Caltrans Right-of-Way

Table 5 - Emerald Bay Hydrologic Area

Table 6 - McKinney Bay Hydrologic Area

Table 7 - Tahoe City Hydrologic Area

Table 8 - Agate Bay Hydrologic Area

Table 9 - Summary of Land Coverage Allocations

Table 10 - Inventory and Allocations of Other Marketable Rights

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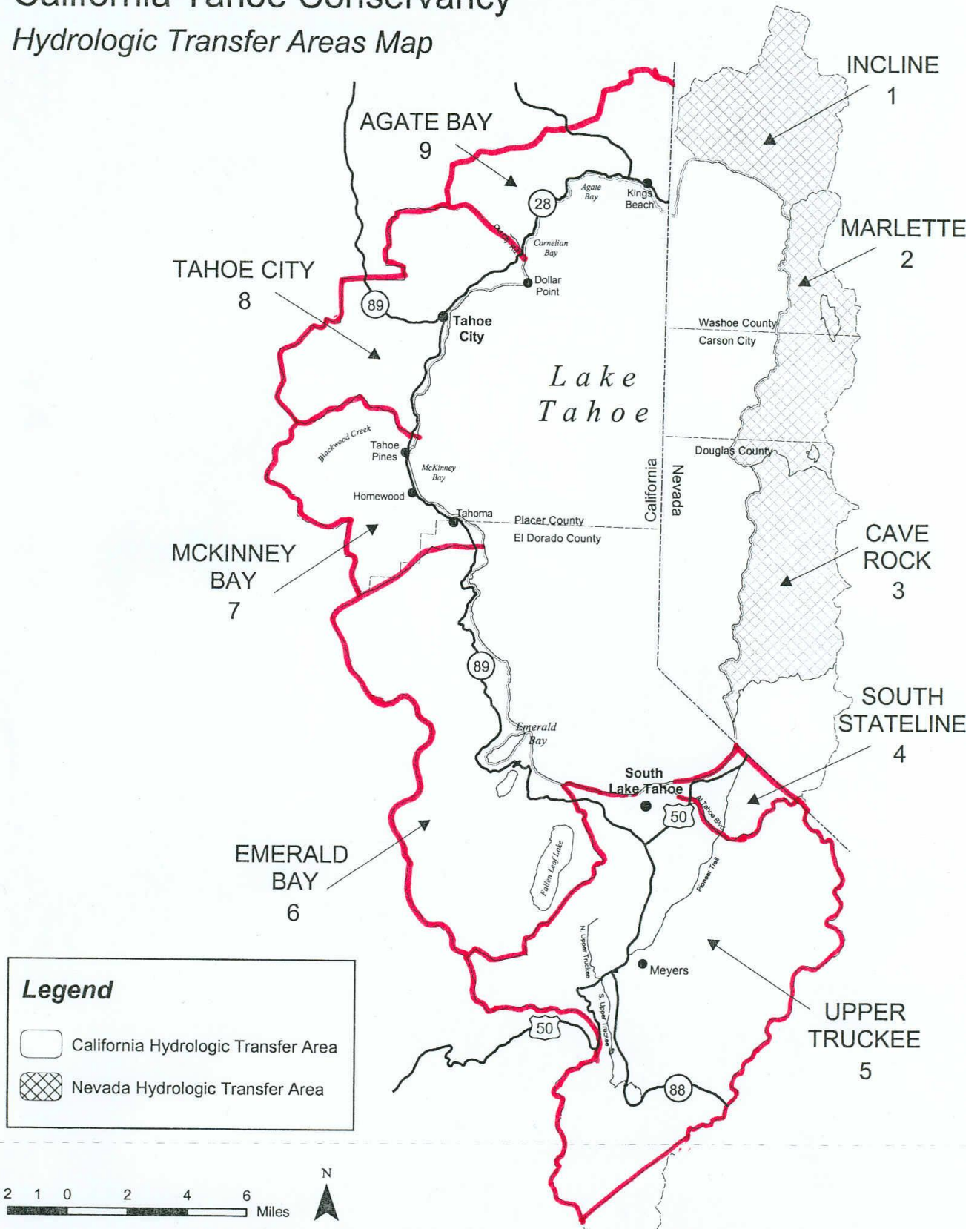
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California Tahoe Conservancy

Hydrologic Transfer Areas Map



ATTACHMENT 2

California Tahoe Conservancy

Resolution

11-05-04

Adopted: May 19, 2011

ANNUAL AUTHORIZATION OF LAND BANK ACTIVITIES AND ALLOCATIONS OF COVERAGE AND OTHER MARKETABLE RIGHTS

Staff recommends that the Conservancy adopt the following resolution pursuant to Government Code Sections 66905 et seq., 66907, 66907.1, 66907.2, 66907.8, 66908, 66908.1, and 66950 et seq.:

"The California Tahoe Conservancy hereby adopts the allocations of land coverage and other marketable rights and authorizes staff to take all actions and to expend funds necessary to implement the Land Coverage and Marketable Rights Program, as more fully set forth in the accompanying staff report."

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 19th day of May 2011.

IN WITNESS THEREOF, I have hereunto set my hand this 19th day of May 2011.

Patrick Wright
Executive Director

SOUTH STATELINE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2011

Total Potential Coverage Owned: 303,573 ft² ¹

Total Hard Coverage Owned: 34,480 ft²

Total Soft Coverage Owned: 1,168 ft²

	(A) Total Coverage Allocated Through 2010	(B) Mitigation Required Thru 2010 (est.)	(C) Reserved / On-Site Projects	(D) Remaining Unused Allocation	(E) Projected Demand 1/1/11 to 12/31/11	(F) Additional Available for Allocation <i>Pot.: 8,227 Hard: 2,073 Recommended Allocation:</i>	(G) Year-End Estimated Balance for the Allocated Coverage ²
<u>Excess Coverage Mitigation</u> (public and private)	Potential: 52,015 Hard: 24,947	54,290 180,567	0 0	-2,275 -155,620	2,650 1,300	4,925 0	0 -156,920
<u>Transfer of Coverage</u>		<u>Sold or in Escrow</u>					
A. Reservation for public projects and CTC- sponsored projects	Potential: 167,197 Hard: 0	154,314 0	0 0	12,883 0	12,883 0	0 0	0 0
B. Open market sales	Potential: 76,134 Hard: 7,460	74,132 5,581	0 0	2,002 1,879	5,002 1,500	3,000 0	0 379
C. Reservation for projects in Community Plan areas	Potential: 0 Hard: 0	0 0	0 0	0 0	0 0	0 0	0 0
TOTALS:	Potential: 295,346 Hard: 32,407	282,736 186,148	0 0	12,610 -153,741	20,535 2,800	7,925 0	0 -156,541

TABLE 1

Potential Coverage: unallocated balance = 302
Hard Coverage: unallocated balance = 2,073
Soft Coverage: unallocated balance = 1,168

¹ Included in this portion of the owned inventory is 7,925 sq. ft. of potential coverage recommended for allocation from the Caltrans right-of-way to meet ongoing Land Bank needs.

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

Cal Trans Right- of-Way
May 2011
SOUTH STATELINE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION
 Estimated Total Coverage Owned: 549,000 ft²

	(A) Allocations Through 2010 (ft ²)	(B) Coverage Required Thru 12/31/10	(C) Reserved / On-Site Projects (ft ²)	(D) Remaining Unused Allocation (ft ²)	(E) Projected Need in 2011 (ft ²)	(F) Recommended Allocation for 2011: (ft ²)	(G) Total Allocation To Date: (ft ²)
Existing On-Site Easements	75,209	71,509	3,700	0	0	0	75,209
Cal Trans Projects	27,500	0	27,500	0	0	0	27,500
Land Bank Public Service or CTC Project Needs	314,616	55,000	259,616	0	0	0	314,616
Land Bank Mitigation and Open Market Needs	74,433	74,433	0	0	7,925	7,925	82,358
TOTALS:	491,758	200,942	290,816	0	7,925	7,925	499,683

TABLE 2

Coverage: unallocated/unreserved balance = 49,317 ft²

UPPER TRUCKEE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2011

Total Potential Coverage Owned: 1,220,895 ft²

Total Hard Coverage Owned: 126,105 ft²

Total Soft Coverage Owned: 131,452 ft²

	(A) Total Coverage Allocated Through 2010	(B) Mitigation Required Thru 2010 (est.)	(C) Reserved / On-Site Projects	(D) Remaining Unused Allocation	(E) Projected Demand 1/1/11 to 12/31/11	(F) Additional Available for Allocation <i>Pot.: 639,447 Hard: 10,743 Soft: 31,452</i> Recommended Allocation:	(G) Year-End Estimated Balance for the Allocated Coverage ¹
<u>Excess Coverage Mitigation</u> (public and private)	Potential: 330,377 Hard: 28,294	328,007 26,629	0 0	2,370 1,665	16,000 1,300	13,630 0	0 365
<u>Transfer of Coverage</u>		<u>Sold or in Escrow</u>					
A. Reservation for public projects and CTC- sponsored projects	Potential: 22,213 Hard: 56,070	17,999 22,735	0 13,335	4,214 20,000	4,214 0	0 0	0 20,000
B. Open market sales	Potential: 228,858 Hard: 30,998 Soft: 100,000	210,656 15,984 88,720	0 0 0	18,202 15,014 11,280	10,000 11,014 11,280	0 0 0	8,202 4,000 0
C. Reservation for projects in Community Plan areas	Potential: 0 Hard: 0	0 0	0 0	0 0	0 0	0 0	0 0
TOTALS:	Potential: 581,448 Hard: 115,362 Soft: 100,000	556,662 65,348 88,720	0 13,335 0	24,786 36,679 11,280	30,214 12,314 11,280	13,630 0 0	8,202 24,365 0

TABLE 3

Potential Coverage: unallocated balance = 625,817

Hard Coverage: unallocated balance = 10,743

Soft Coverage: unallocated balance = 31,452

¹ This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

Cal Trans Right- of-Way
May 2011
UPPER TRUCKEE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION
 Estimated Total Coverage Owned: 851,000 ft²

	(A) Allocations Through 2010 (ft ²)	(B) Coverage Required Thru 12/31/10	(C) Reserved / On-Site Projects (ft ²)	(D) Remaining Unused Allocation (ft ²)	(E) Projected Need in 2011 (ft ²)	(F) Recommended Allocation for 2011: (ft ²)	(G) Total Allocation To Date: (ft ²)
Existing On-Site Easements	11,510	0	11,510	0	0	0	11,510
Cal Trans Projects	242,000	0	242,000	0	0	0	242,000
Land Bank Public Service or CTC Project Needs	289,580	0	289,580	0	0	0	289,580
Land Bank Mitigation and Open Market Needs	18,619	18,619	0	0	0	0	18,619
Totals:	561,709	18,619	543,090	0	0	0	561,709

Coverage: unallocated/unreserved balance = 289,291 ft²

TABLE 4

EMERALD BAY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2011

Total Potential Coverage Owned: 69,434 ft²

Total Hard Coverage Owned: 0 ft²

	(A) Total Coverage Allocated Through 2010	(B) Mitigation Required Thru 2010 (est.)	(C) Reserved / On-Site Projects	(D) Remaining Unused Allocation	(E) Projected Demand 1/1/11 to 12/31/11	(F) Additional Available for Allocation <i>Pot.: 0 Hard: 0</i> Recommended Allocation:	(G) Year-End Estimated Balance for the Allocated Coverage ¹
<u>Excess Coverage Mitigation</u> (public and private)	Potential: 36,837 Hard: 0	53,857 0	0 0	-17,020 0	2,630 0	0 0	-19,650 0
<u>Transfer of Coverage:</u>		<u>Sold or in Escrow:</u>					
A. Reservation for public projects and CTC sponsored projects	Potential: 10,179 Hard: 0	9,302 0	0 0	877 0	877 0	0 0	0 0
B. Open market sales	Potential: 22,418 Hard: 0	22,043 0	0 0	375 0	5,000 0	0 0	-4,625 0
C. Reservation for projects in Community Plan areas	Potential: 0 Hard: 0	0 0	0 0	0 0	0 0	0 0	0 0
TOTALS:	Potential: 69,434 Hard: 0	85,202 0	0 0	-15,768 0	8,507 0	0 0	-24,275 0

Potential Coverage: unallocated balance = 0

Hard Coverage: unallocated balance = 0

¹ This is an estimate of the year-end balance for each category assuming that the Conservancy Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

MCKINNEY BAY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2011

Total Potential Coverage Owned: 210,300 ft² ¹

Total Hard Coverage Owned: 3,135 ft²

	(A) Total Coverage Allocated Through 2010	(B) Mitigation Required Thru 2010 (est.)	(C) Reserved / On-Site Projects	(D) Remaining Unused Allocation	(E) Projected Demand 1/1/11 to 12/31/11	(F) Additional Available for Allocation <i>Pot.: 9,960</i> <i>Hard: 0</i> Recommended Allocation:	(G) Year-End Estimated Balance for the Allocated Coverage ¹
<u>Excess Coverage Mitigation</u> (public and private)	Potential: 92,503 Hard: 3,135	93,463 10,525	0 0	-960 -7,390	4,560 515	5,520 0	0 -7,905
<u>Transfer of Coverage</u>		<u>Sold or in Escrow:</u>					
A. Reservation for public projects and CTC sponsored projects	Potential: 30,946 Hard: 0	1,056 0	0 0	29,890 0	29,890 0	0 0	0 0
B. Open market sales	Potential: 76,891 Hard: 0	75,333 0	0 0	1,558 0	5,998 0	4,440 0	0 0
C. Reservation for projects in Community Plan areas	Potential: 0 Hard: 0	0 0	0 0	0 0	0 0	0 0	0 0
TOTALS:	Potential: 200,340 Hard: 3,135	169,852 10,525	0 0	30,488 -7,390	40,448 515	9,960 0	0 -7,905

Potential Coverage: unallocated balance = 0

Hard Coverage: unallocated balance = 0

¹ Included in the owned inventory is 9,960 sq. ft. of potential coverage that staff is recommending for allocation from the Conservancy's "Eagle Rock Property".

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

TABLE 6

TAHOE CITY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2011

Total Potential Coverage Owned: 395,396 ft² ¹

Total Hard Coverage Owned: 7,135 ft²

	(A) Total Coverage Allocated Through 2010	(B) Mitigation Required Thru 2010 (est.)	(C) Reserved / On-Site Projects	(D) Remaining Unused Allocation	(E) Projected Demand 1/1/11 to 12/31/11	(F) Additional Available for Allocation <i>Pot.: 16,780 Hard: 0</i> Recommended Allocation:	(G) Year-End Estimated Balance for the Allocated Coverage ¹
<u>Excess Coverage Mitigation</u> (public and private)	Potential: 175,620 Hard: 7,135	181,865 8,675	0 0	-6,245 -1,540	8,870 425	15,115 0	0 -1,965
<u>Transfer of Coverage</u> A. Reservation for public projects and CTC sponsored projects	Potential: 131,424 Hard: 0	<u>Sold or in Escrow:</u> 95,797 0	7,425 0	28,202 0	11,829 0	0 0	16,373 0
B. Open market sales	Potential: 71,572 Hard: 0	68,240 0	0 0	3,332 0	4,997 0	1,665 0	0 0
C. Reservation for projects in Community Plan areas	Potential: 0 Hard: 0	0 0	0 0	0 0	0 0	0 0	0 0
TOTALS:	Potential: 378,616 Hard: 7,135	345,902 8,675	7,425 0	25,289 -1,540	25,696 425	16,780 0	16,373 -1,965

TABLE 7

Potential Coverage: unallocated balance = 0
Hard Coverage: unallocated balance = 0

¹ Included in the owned inventory is 16,780 ft² of potential coverage which staff is recommending for allocation from the Conservancy's "Dollar property".

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

AGATE BAY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2011

Total Potential Coverage Owned: 385,493 ft² ¹

Total Hard Coverage Owned: 23,153 ft²

Total Soft Coverage Owned: 4,387 ft²

	(A) Total Coverage Allocated Through 2010	(B) Mitigation Required Thru 12/31/10 (est.)	(C) Reserved / On-Site Projects	(D) Remaining Unused Allocation	(E) Projected Demand 1/1/11 to 12/31/11	(F) Additional Available for Allocation <i>Pot.: 1,815</i> <i>Hard: 0</i> <i>Soft: 0</i> Recommended Allocation:	(G) Year-End Estimated Balance for the Allocated Coverage ¹
<u>Excess Coverage Mitigation</u> (public and private)	Potential: 168,125 Hard: 12,543	162,035 38,688	0 0	6,090 -26,145	7,905 1,890	1,815 0	0 -28,035
<u>Transfer of Coverage</u> A. Reservation for public projects and CTC sponsored projects	Potential: 57,851 Hard: 0	<u>Sold or in Escrow:</u> 6,791 0	46,286 0	4,774 0	4,774 0	0 0	0 0
B. Open market sales	Potential: 157,702 Hard: 10,610	142,183 10,610	0 0	15,519 0	10,000 0	0 0	5,519 0
C. Reservation for projects in Community Plan areas	Potential: 0 Hard: 0 Soft: 4,387	0 0 0	0 0 4,387	0 0 0	0 0 0	0 0 0	0 0 0
TOTALS:	Potential: 383,678 Hard: 23,153 Soft: 4,387	311,009 49,298 0	46,286 0 4,387	26,383 -26,145 0	22,679 1,890 0	1,815 0 0	5,519 -28,035 0

Potential Coverage: unallocated balance = 0

Hard Coverage: unallocated balance = 0

Soft Coverage: unallocated balance = 0

¹ Included in the owned inventory is 1,815 ft² of potential coverage which staff is recommending for allocation from the Conservancy's "Dollar Property".

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

TABLE 8

SUMMARY OF ACTUAL ALLOCATION RECOMMENDATION FOR EACH HYDROLOGIC AREA FOR USE IN 2011

May 2011

WITH SUMMARY OF TOTAL ALLOCATION-TO-DATE

	South Stateline Hydro. Area Recommendation		Upper Truckee Hydro. Area Recommendation		Emerald Bay Hydro. Area Recommendation		McKinney Bay Hydro. Area Recommendation		Tahoe City Hydro. Area Recommendation		Agate Bay Hydro. Area Recommendation		Total Allocation to Each Category	
	Allocation for 2011	Total Allocation To Date	Allocation for 2011	Total Allocation To Date	Allocation for 2011	Total Allocation To Date	Allocation for 2011	Total Allocation To Date	Allocation for 2011	Total Allocation To Date	Allocation for 2011	Total Allocation To Date	Allocation for 2011	Total Allocation To Date
<u>Excess Coverage Mitigation</u> (public and private)	Pot: 4,925 Hard: 0	56,940 24,947	13,630 0	344,007 28,294	0 0	36,837 0	5,520 0	98,023 3,135	15,115 0	190,735 7,135	1,815 0	169,940 12,543	41,005 0	896,482 76,054
<u>Transfer of Coverage</u>														
A. Reservation for public projects and CTC-sponsored projects	Pot: 0 Hard: 0	167,197 0	0 0	22,213 56,070	0 0	10,179 0	0 0	30,946 0	0 0	131,424 0	0 0	57,851 0	0 0	419,810 56,070
B. Open market sales	Pot: 3,000 Hard: 0 Soft: 0	79,134 7,460 0	0 0 0	228,858 30,998 100,000	0 0 0	22,418 0 0	4,440 0 0	81,331 0 0	1,665 0 0	73,237 0 0	0 0 0	157,702 10,610 0	9,105 0 0	642,680 49,068 100,000
C. Reservation for projects in Community Plan areas	Pot: 0 Hard: 0 Soft: 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 4,387	0 0 0	0 0 4,387
TOTALS:	Pot: 7,925 Hard: 0 Soft: 0	303,271 32,407 0	13,630 0 0	595,078 115,362 100,000	0 0 0	69,434 0 0	9,960 0 0	210,300 3,135 0	16,780 0 0	395,396 7,135 0	1,815 0 0	385,493 23,153 4,387	50,110 0 0	1,958,972 181,192 104,387

Total allocation recommendation for use in 2011 for all types of coverage = 50,110 sf

Total allocation recommendation to date, provided board allocates additional 50,110 sf = 2,244,551 sf

TABLE 9

TABLE 10

Inventory and Allocations of Other Marketable Rights May 2011						
A	B	C	D	E	F	G
Type of Rights	Jurisdiction (of origin)	Estimated Inventory (subject to TRPA verification)	Number of Units Committed	Remaining Allocated Units Available For Sale	Remaining Inventory Available for Allocation	Recommended Allocation For 2011
Residential Development Rights	City of SLT	71	64	4	3	3
	El Dorado Co. (unincorporated)	119	28	18	73	0
	Placer County	83	35	0	48	7
	Total RDRs	273	127	22	124	10
Existing Residential Units of Use (ERUUs)	City of SLT	27*	2	5	20	0
		* Could be used as CFA or 25 TAU's.				
	El Dorado Co.	2	0	1	1	0
	Placer County	31	1	9	21	0
	Total ERUUs	60	3	15	42	0
Commercial Floor Area (CFA) (in square feet)	City of SLT	5,204	4,976	228	0	0
	El Dorado Co.	6,784	247	5,679	858	0
	Kings Beach	15,679	0	5,600	10,079	0
	Carnelian Bay	3,527	2,928	599	0	0
	Total CFA	31,194	8,151	12,106	10,937	0

The current status of the inventory for each marketable right is identified in Columns D, E, and F. The sum of those three columns equals the total inventory for that respective marketable right.